

Message Text

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17

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

USSAGE NKHON PHANOM

CINCPAC HONOLULU

COGARD POLAD

XMT AMEMBASSY SUVA

UNCLAS STATE 248244

E.O. 11652 N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 20 EA PRESS SUMMARY (CHITRIB
AVAILABLE)

INDOCHINA

1. KISSINGER IS IN PARIS TO MEET THO. COOK OF
LAT REVIEWS DETERIORATING MILITARY SITUATION AND
LACK OF PROGRESS TOWARD POLITICAL ACCORD IN SVN
(PHINQ). BERGER (WP) QUOTES HAK ON ARRIVAL THAT
US WOULD NOT AGAIN BECOME PRINCIPAL NEGOTIATOR
IN VN SITUATION AND WHAT IS IMPORTANT IS THAT
C-F SIGNATORIES DO EVERYTHING TO REDUCE DANGERS
OF CONFLICT AND "CONTRIBUTE AS THEY PLEDGED THEMSELVES
TO BRING PEACE TO VN". BERGER SAYS "HIGH OFFICIAL"
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WITH HAK EXPECTS TALKS TO INVOLVE PROBLEMS ON
VN AGREEMENT AND CAMBODIAN SITUATION. OKA (CSM)
REPORTS US SOURCES INDICATE HAK IS ANXIOUS TO
WARN THO NOT TO PRESS GVN TOO FAR, AND "IS EXPECTED

TO TELL HIS LONG TIME NEGOTIATING PARTNER THAT THE US IS STILL CAPABLE OF INTERVENING MILITARILY." OKA SAYS NLF SEEMS LESS INTERESTED IN "A COALITION GOVERNMENT -- ITS STATED GOAL -- THAN IN SECURING SAIGON AND WASHINGTON RECOGNITION OF THE INVOLABILITY OF ITS ZONES OF CONTROL". PULLAN (SUN) REFERS TO "EMERGENCY TALKS", SAYS KISSINGER REFRAINED FROM COMMENTING ON THO'S THREAT IF US DOES NOT STOP "MASSIVE MILITARY AID" TO SVN. PULLAN QUOTES HAK THAT HE WILL LEAVE QUESTION OF WHO ASKED FOR THE MEETING "TO A BRANCH OF THEOLOGICAL STUDIES".

2. MOST PAPERS FEATURE STORY OF RELEASE OF ELM WHO SAYS, "I'M VERY FORTUNATE. GOD LOOKED AFTER ME. TELL MOM I'M FINE AND I WASN'T MISTREATED" (PHINQ; NYDN). VC DID NOT GIVE REASON FOR RELEASE, BUT SOME SPECULATE THAT IT IS TO EASE CRITICISM OF RECENT FATAL SHOOTING OF US OFFICER (CSM; AP WP, 12/19 S-N; UPI NYT, 12/19 BAL. N-A).

3. ISAACS (SUN) FROM HK QUOTES NV NEWS AGENCY THAT DRV REJECTS "DISTORTING AND SLANDEROUS" US AND GVN CONTENTIONS ABOUT INCIDENT IN WHICH UNARMED US OFFICER AND ARVN PILOT WERE KILLED. DRV DECLARES US "CONTRAVENTION" OF C-F AGREEMENT BY FAILING TO WORK OUT ARRANGEMENTS WITH COMMUNIST SIDE BEFORE SENDING OUT MIA SEARCH TEAM WAS "OBVIOUSLY ILLEGAL ACT". ISAACS COMMENTS THAT STATEMENT DOES NOT DENY THAT COMMUNIST TROOPS CARRIED OUT THE ATTACK. AS BACKGROUND ISAACS TELLS OF ROLE OF JCRC, ADDS THAT US, AFTER FAILING TO REACH AGREEMENT WITH COMMUNISTS ON SEARCH PROCEDURES, HAS TAKEN POSITION THAT IT COULD GO AHEAD WITHOUT CONSULTING COMMUNISTS WHEN SITES ARE IN GVN-CONTROLLED TERRITORY. EACH SIDE BLAMES OTHER FOR 10-MONTH DEADLOCK IN NEGOTS OVER SEARCH PROCEDURES.

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GVN REPORTS SUDDEN INCREASE IN MOSTLY SMALL-SCALE GUERRILLA ATTACKS IN COUNTRYSIDE ON EVE OF 13TH ANNIVERSARY OF IMPORTANT VIET MINH VICTORY OVER FRENCH (CSM; UPI, NYT).

4. SHERMAN (S-N, 12/19) QUOTES DOD SPOKESMAN THAT LAST MINUTE CHANGES IN DEFENSE APPROPRIATION BILL BY SENATE-HOUSE CONFEREES WILL ALLOW CONTINUED FUNDING OF FUEL FOR SVN, SINCE CONFERENCE REPORT ONLY PROHIBITS SENDING FUEL "PRODUCED IN USA". SPOKESMAN POINTS OUR CURRENT SUPPLIES FOR SVN WERE PRODUCED OVERSEAS, AND GVN IS CLOSE TO SIGNING OPEN-MARKET CONTRACTS TO OBTAIN ITS OWN SUPPLIES

THAT CHANGES IN BILL WOULD PERMIT TO BE FUNDED
BY US.

DRV CHARGES US RECON PLANE OVERFLEW ITS TERRITORY
TWICE ON DEC. 17, AGAIN DEMANDS THAT SPY-FLIGHTS
STOP (S-N, 12/19).

5. MILITARY SOURCES SAY RLG TROOPS ABANDON OUTPOST
IN SOUTHERN PANHANDLE AFTER SHORT EXCHANGE OF FIRE
WITH PL (S-N, 12/19).

LAO MP SAYS SOUVANNA PHOUMA TOLD HIM THAT ALL NVA
WILL LEAVE LAOS WITHIN 60 DAYS OF COALITION GOVERNMENT
FORMATION, BUT DID NOT SAY WHAT CONVINCED HIM THAT
NVA (ESTIMATED 50,000) WOULD GO. MP ADDS THAT
SOUVANNA PLANS GOOD-WILL TRIP TO CHINA AND OTHER
ASIAN COUNTRIES TO SOLICIT SUPPORT FOR COALITION
ONCE IT IS FORMED (UPI, NYDN).

6. FANK COMMAND SAYS FIGHTING CONTINUES ON ROUTE
4 NEAR KOMPONG SPEU AS GKR TROOPS TRAP ABOUT 100
"KHMER ROUGE INSURGENTS" AND KILL 50 (S-N 12/19).

REUTER PP QUOTES KHMER NAVY CREWMEN THAT US F-
111 DROPS SIX BOMBS ON GUERRILLA POSITION THAT
WAS FIRING ON MEKONG CONVOY SHIPS ABOUT 50 MILES
SE OF PP. REUTER BANGKOK QUOTES US MILITARY SPOKESMAN,
IN COMMENTING ON ALLEGED F-111 BOMBING, THAT NO
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THAILAND-BASED US AIRCRAFT HAVE CONDUCTED BOMBING
OPERATIONS IN CAMBODIA SINCE AUGUST 15.

THAILAND

7. CSM'S SOUTHERLAND IN BANGKOK (DEC. 19) REPORTS
ON CONVENTION TO ELECT NEW NATIONAL ASSEMBLY FROM
AMONG ITS OWN DELEGATES. MANY DELEGATES ARE CONFUSED
AS TO WHAT THEIR FUNCTION WILL BE AND HOW VOTING
WILL WORK, BUT THERE SEEMS TO BE GENERAL AGREEMENT
THAT CONVENTION WILL MARK AN IMPORTANT STEP TOWARD
ESTABLISHMENT OF CONSTITUTIONAL AND CIVILIAN RULE.
SOUTHERLAND NOTES THAT IN OLD ASSEMBLY OF 299 MEMBERS,
192 WERE MILITARY AND POLICE OFFICERS, MAJORITY
WERE FROM BANGKOK. NEW CONVENTION HAS PREDOMINANTLY
CIVILIAN CHARACTER; LESS THAN 10 PERCENT ESTIMATED
TO BE MILITARY. ALSO, NEW CONVENTION WILL GIVE
MUCH GREATER REPRESENTATION TO AREAS OUTSIDE BANGKOK.
SHORT NYT PIECE STRESSES INCREASED ROLE OF RURAL
AREA DELEGATES AND ADDS THAT IN LAST-MINUTE CHANGE
OF RULES THE 25-YEAR MINIMUM AGE REQUIREMENT WAS
DROPPED, INCREASING LIKELIHOOD OF STUDENT MPS.

CHINA

8. JOC TORONTO REPORTS CAMPOTEX LTD ANNOUNCEMENT OF ANOTHER MAJOR SALE OF POTASH TO PRC. CONTRACT COVERING 170,000 MT OF PRODUCT WORTH 9 MILLION DOLS FOR DELIVERY BETWEEN JULY AND DEC. 1974 WAS SIGNED DURING RECENT PEKING VISIT OF CAMPOTEX MISSION. TOTAL POTASH SALES TO PRC IN 1974 WILL BE MORE THAN FIVE TIMES THE VOLUME SHIPPED IN 1973, ACCORDING CAMPOTEX PRES.

JOC SAYS LONDON GRAIN SOURCES HAVE NOT REACTED TO REPORTS ARGENTINA HAS AGREED SUPPLY 3 MILLION TONS WHEAT AND MAIZE TO PRC OVER NEXT 3 YEARS. GIVEN LARGE PRC PURCHASES FROM NORTH AMERICA, LATEST DEALS APPEAR INTENDED TO BUILD UP RESERVES AND FURTHER SALES TO PRC UNLIKELY.

9. GLOBE AND MAIL'S JOHN BURNS (WP) IN MOTOR CITY, UNCLASSIFIED

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MANCHURIA, VISITS PLANT WHERE RED FLAG LIMOUSINES, ARE PRODUCED... "THE CADILLAC ELDORADO AND ROLLS-ROYCE SILVER CLOUD OF CHINA, A SYMBOL OF ULTIMATE PRESTIGE THAT IS RESERVED FOR THE MOST PRIVILEGED OF FOREIGN DIGNITARIES AND THE MEN OF UTMOST POWER IN THE PARTY." FOR SHEER MASSIVENESS AND UNSOPHISTICATED ENGINEERING, RED FLAG SEEMS CLOSER TO 1956 DE SOTO. TRUCK PLANT, LARGEST IN CHINA, PRODUCES 60,000 VEHICLES A YEAR, TWICE THE DESIGNED CAPACITY WHEN IT OPENED IN 1956. WORKERS (39,000) EARN AN AVERAGE OF LESS THAN 7 DOLS A WEEK. INEFFICIENCIES OBSERVED IN PLANT WOULD NOT BE TOLERATED IN DETROIT, BUT WORKERS' ENTHUSIASM WOULD DOUBTLESSLY BE APPROVED.

AUSTRALIA

10. JOC CANBERRA REPORTS THAT FORECASTS OF AUSSIE CUMULATIVE FUEL REQUIREMENTS TO YEAR 2000, PUBLISHED IN PRELIMINARY FORM, SHOW THAT WITH NOTABLE EXCEPTION OF OIL, KNOWN ECONOMICALLY RECOVERABLE RESERVES OF FOSSIL FUEL APPEAR ADEQUATE.

INDONESIA-PNG

11. AFTER CALLING ON SUHARTO, PNG DEFMIN-FONMIN MAORI KIKI ANNOUNCED THAT PNG MILITARY OFFICERS MAY BE SENT TO INDONESIA FOR TRAINING. HE HAD DISCUSSED MATTER WITH INDO DEFMIN PANGGABEAN (WP).

INDONESIA

12. WSJ REPORTS 5 JAPANESE ALUMINUM PRODUCERS SIGNED PROVISIONAL AGREEMENT WITH GOI TO BUILD 500 MILLION DOL ALUMINUM SMELTER AND POWER PLANT ON SUMATRA'S NE COAST. ALCOA AND KAISER MAY JOIN PROJECT.

JAPAN

13. CSM NOTES PUBLICATION OF "INDUSTRIAL GROUPINGS IN JAPAN". BOOK GRAPHICALLY ILLUSTRATES THE INTERLOCKING UNCLASSIFIED

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RELATIONSHIPS THAT ARE COMMON KNOWLEDGE AMONG JAPANESE BUSINESSMEN, BUT OFTEN REMAIN MYSTERIOUS TO FOREIGN BUSINESSMEN. INFO DRAWN PRIMARILY FROM JAPANESE- LANGUAGE REPORTS OF FINMIN AND ECON RESEARCH INSTITUTE.

14. UPI TOKYO (JOC) REPORTS THAT ACCORDING TO TOKYO PAPERS DEC. 19, GOJ HAS GIVEN TACIT CONSENT FOR OIL FIRMS TO BUY POL FROM LIBYA, DEFYING THREAT OF LEGAL ACTION BY US OIL COMPANIES WHOSE WELLS WERE NATIONALIZED. REPORTED DECISION WOULD BE VICTORY FOR MITT'S NAKASONE WHO PUSHED FOR PURCHASE OF LIBYAN OIL, AND DEFEAT FOR FONOFF WHICH OPPOSED FOR FEAR OF INVOLVEMENT WITH US. WP REPORT FROM TOKYO CITES OFFICIAL SOURCES AS SAYING JAPAN HAS DECIDED TO DEFY MAJOR INTERNATIONAL OIL COMPANIES AND BUY THE "HOT OIL".

15. WSJ'S PEARLSTINE IN TOKYO NOTES THAT JAPANESE, MOST VULNERABLE OF ALL TO ENERGY CRISIS, SEEMS LEAST CONCERNED AS THEY INDULGE IN FINAL GIFT-GIVING SPLURGE. CONVERSATIONS WITH GOJ AND BUSINESS LEADERS, ECONOMISTS AND ACADEMICIANS SUGGEST THAT GOVT. HAS BEEN WORKING DILIGENTLY BEHIND SCENES PREPARING FOR CHANGES. THEY PRESENT SEVERAL REASONS FOR GOJ'S WAITING THIS LONG TO ACT; THEY NOTE THAT MANY JAPANESE STILL CLING TO HOPE THAT HEY WILL GET OIL, BUT MORE IMPORTANT, THEY ARGUE THAT GOJ MUST DELAY ACTIONS AS LONG AS POSSIBLE, USING TIME TO BUILD PUBLIC ACCEPTANCE FOR NECESSARY DRASTIC MEASURES. NYT TOKYO DESCRIBES NOVEL PLANS FOR GARBAGE DISPOSAL.

COMMENT AND ANALYSIS

16. HEARST'S KINGSBURY SMITH, IN PEKING-DATELINED STORY, ASSERTS HIGH-RANKING PRC OFFICIALS TOLD HIM IT COULD BE "SAFELY ASSUMED" THAT CHOU WILL BECOME NUMBER ONE WHN MAO CEASES TO RULE; AND FOREIGN ENVOYS IN PEKING CONSIDER CHOU SUCCESSION VIRTUALLY CERTAIN IF SHIFT OCCURS IN NEXT FEW YEARS.

BUT MUCH GREATER DEGREE OF COLLECTIVE LEADERSHIP
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FORESEEN FOR CHINA AFTER MAO, WITH MAIN THREAT
TO CHOU'S SUCCESSION COMING FROM EXTREMISTS WHOSE
SYMBOL AND LEADER IS MAO'S "RUTHLESSLY AMBITIOUS,
VINDICTIVE WIFE...." THESE ELEMENTS ARE SUSPECTED

OF WORKING SURREPTITIOUSLY NOW TO UNDERMINE CHOU'S
POLITICAL POSITION BY ASSOCIATING HIM WITH CONFUCIUS,
AND CHOU'S "ANCESTRAL MANDARIN FAMILY BACKGROUND
IS BEING HELD AGAINST HIM". SMITH DESCRIBES CHOU'S
PROBLEMS DURING GPCR, SAYS HE "SIDED DISCREETLY"
WITH MILITARY LEADERS AND PROVINCIAL COMMANDERS WHO
WANTED TO RESTORE ORDER; THEN WHEN MAO FOUND RED
GUARD ANARCHY GETTING OUT OF HAND, HE TURNED TO CHOU
TO EFFECT AN UNDERSTANDING WITH MILITARY LEADERS.
CHOU RELIES ON THIS ALLIANCE WITH MILITARY TO BLOCK
THE RADICALS AND ASSURE HIS SUCCESSION. WHILE REAPPEARANCE
OF CHIANG CHING AND WANG HUNG-WEN WITH CHOU MAY REPRESENT
A RECONCILIATION BETWEEN THE FACTIONS, SMITH SAYS
WESTERN DIPLOMATS IN PEKING BELIEVE CHOU WILL STILL
HAVE TO RELY ON ARMY SUPPORT TO GOVERN IF HE SUCCEEDS
MAO. QUESTION IS WHETHER PROVINCIAL MILITARY CHIEFTAINS
WILL REMAIN LOYAL TO CENTRAL GOVT. ONCE MAO IS GONE
(BOSTON HERALD, DEC. 15).

17. IN LATER PEKING DISPATCH, KINGSBURY SMITH (BALTO
NA, DEC. 19) REPORTS THAT ONE MOST SIGNIFICANT CURRENT
DEVELOPMENTS IN OPINION OF FOREIGN ENVOYS IN PEKING,
IS MAO'S MOVE TO REACTIVATE URBAN MILITIA. MILITIA
HAS LONG EXISTED IN RURAL AREAS BUT NOT SINCE 1968,
WHEN CHINA AND RUSSIA APPEARED TO BE ON BRINK OF
WAR, HAS DEVELOPMENT OF "CITIZENS ARMY" BEEN CARRIED
OUT IN CITIES ON PRESENT SCALE. OFFICIAL REASON
IS PREPAREDNESS FOR POSSIBILITY OF SOVIET ATTACK,
BUT DIPLOMATIC CIRCLES SPECULATE THAT IT MAY BE INTENDED
AS WARNING TO SOME MILITARY LEADERS AND LOCAL WARLODS
NOT TO ATTEMPT COUP D'ETATS IN EVENT OF MAO'S DEMISE.
SOVIET AGENTS ARE BELIEVED ACTIVE IN ARMY CIRCLES,
TRYING TO ENCOURAGE RUSSIAN-ORIENTED MILITARY TAKEOVER
WHEN MAO RULE ENDS. DEVELOPMENT OF LARG MILITIA
LONG A SOURCE OF FRICTION BETWEEN CHINA'S PROFESSIONALS
OFFICERS AND PARTY HIERARCHY. PROFESSIONAL REPORTEDLY
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OPPOSED MAO'S REPEATED CALLS FOR VAST CITIZEN ARMY
FOR TWO MAJOR REASONS: BECAUSE THEY QUESTION HIS
CONCEPT OF DEFENSE STRATEGY BASED ON DROWNING AN
INVADING ARMY IN "AN OCEAN OF PEOPLE." THEY BELIEVED

THAT CHINA NEEDED WELL-TRAINED, HIGHLY DISCIPLINED AND THOROUGHLY MODERNIZED ARMY. AND THEY RESENTED FACT THAT MILITIA WAS UNDER PARTY CONTROL, THUS A POTENTIAL RIVAL SOURCE OF POWER. NEW MOVE TO REBUILD SEEN AS INDICATION THAT RADICAL ELEMENTS IN PARTY MAY BE GAINING GROUND IN WHAT ALREADY APPEARS TO BE THE BEGINNING OF SUCCESSIONIST STRUGGLE.

18. SN'S BRADSHER (DEC. 19) SAYS DIPLOMATS IN HK CAN'T SEEM TO CONVINCE THEIR FOREIGN MINISTRIES OR EVEN THEIR EMBASSIES IN PEKING THAT CHOU IS IN TROUBLE WITH RADICALS ATTACKING HIM, AND POWER STRUGGLE IS GETTING WORSE. GOVERNMENTS WHOSE CHINA POLICY IS BASED ON DOING BUSINESS WITH CHOU JUST DON'T WANT TO FAC THE POSSIBILITY OF CHANGE. BUT SLOWLY INCREASING NUMBER OF SPECIALISTS SEE EVIDENCE BETWEEN LINES OF CHINESE PRESS OF INTENSIFYING POWER STRUGGLE, WITH SIMILARITIES TO ISSUES INVOLVED IN CULTURAL REVOLUTION. "A NUMBER OF OTHER SPECIALISTS", HOWEVER, SEE NO EVIDENCE OF A POWER STRUGGLE. THEY ARGUE THAT CCP ALWAYS HUNTS FOR BACKSLIDERS. THIS EMOTION-BASED SKEPTICISM, SAYS BRADSHER, IS SUMMED UP BY ONE PEKING DIPLOMATSINSISTENCE THATCHOU IS "A NATIONAL TREASURE HE'S TOO VALUABLE TO DAMAGE". BRADSHER SAYS THE IDEA OF CHOU'S INDISPENSABILITY IS MORE POPULAR OUTSIDE THAN WITHIN CHINA, WHERE CHOU HAS BEEN CHALLENGED ON SEVERAL OCCASIONS. ON OTHER HAND, BRADSHER ASSERTS THAT PERCEPTION OF MOUNTING TROUBLE IN CHINA IS NOTICEABLY STRONGER IN HK THAN AMONG FOREIGNERS IN PEKING. WITH CHOU LATELY SOUNDING MORE LIKE PEOPLE'S DAILY CRITICIZING US ON VN, "THIS IS TAKEN BY THE POWER STRUGGLE SCHOOL AS A SIGN OF HIS YIELDING TO PRESSURE".

19. WESTERN DIPLOMATS JUST RETURNED FROM RANGOON HAVE DISCLOSED THAT COMMUNIST CHINA IS BACKING REBEL UNCLASSIFIED

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FORCES IN BURMA, AND REBELS CONTROL NEARLY A THIRD OF THE COUNTRY. FIGHTING, SPORADIC SINCE 1948, INTENSIFIED IN PAST YEAR WHEN PRC BEGAN ACTIVELY SUPPORTING BCP AND SUPPLYING ARMS AND AMMO; CHINA ALSO TRAINS BCP GUERRILLAS AND PROVIDES SANCTUARY IN YUNNAN. (BOYCE SAYS SITUATION IS OF PARTICULAR CONCERN TO US AND OTHER BIG OIL USERS BECAUSE OF BURMA'S LARGE RESERVES; BURMA HAS NOW BEGUN NEGOTS WITH US-FOREIGN SYNDICATE WHICH EXPECTED TO LEAD TO DRILLING SOON). COMMUNIST-CONTROLLED AREAS CONTAIN ABOUT ONE-TENTH OF POPULATION, AND GUERRILLAS OPERATE CLANDESTINE RADIO WHICH TALKS OF ORGANIZING "INDEPENDENT" BURMA GOVT. MEANWHILE, PRC-GUB MAINTAIN DIPLOMATIC RELATIONS

AND PRC GIVES ECONOMIC AID. ALTHOUGH WAR HAS DRIVEN SOME 15,000 REFUGEES INTO RANGOON, NE WIN HAS NOT ASKED FOR OUTSIDE HELP OR PUBLICIZED CHINA'S "SEDITION", BECAUSE HE DOES NOT WISH PROVOKE PEKING. PRC IN TURN THOUGHT TO BE MOTIVATED BY ALMOST PARANOID FEAR OF USSR POWER AND INFLUENCE AROUND ITS BORDERS (S-N, DEC. 19).

20. SCHANBERG (NYT) DESCRIBES RISING TIDE OF ANTI-JAPANESE FEELING IN INDONESIA ATTRIBUTING IT TO CAUSES REMINISCENT OF "UGLY AMERICAN" STORIES OF 1950S: ARROGANCE, EXCLUSIVENESS, ECONOMIC IMPERIALISM, DISCRIMINATION AGAINST LOCALS, ETC. LONG INDO LIST OF GRIEVANCES INCLUDES CHARGE THAT 70 PERCENT OF JAPANESE INVESTORS

HAVE TAKEN ETHNIC CHINESE RATHER THAN INDOS TO MEET REQUIREMENTS OF JOINT VENTURES. JAPANESE EMBASSY DEEPLY CONCERNED AND IS TRYING TO MAKE THE 3000 JAPANESE IN INDONESIA REALIZE THEY MUST LOWER PROFILE AND CHANGE HABITS THAT ANGER INDOS.

21. NYT REFERS TO WHITLAM'S ASSERTION IN CLOSING 1973 SESSION OF PARLIAMENT THAT ALP GOVT PASSED 203 BILLS BY KEEPING HOUSE OF REPS SITTING 908 HOURS, A 50-YEAR RECORD. ALP'S FIRST YEAR ACHIEVEMENTS WERE "IMPRESSIVE." IN RECENT WEEKS, HOWEVER, WHITLAM'S CHANGE AND REFORM HAVE PROVOKED POWERFUL REACTION, UNCLASSIFIED

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AND AFTER LOSING GROUND IN TWO BY-ELECTIONS, ALP SUFFERED HEAVY SETBACK IN NSW. REFERENDUMS SEEKING FEDERAL CONTROL OF PRICES AND INCOMES FAILED TO CARRY A SINGLE STATE. SUDDENLY GOA HAS CEASED ITS THREATS TO DISSOLVE PARLIAMENT AND SEEK A RENEWED MANDATE IN EARLY ELECTION. WHITLAM IS STILL IN STRONG POSITION, BUT HIS HONEYMOON IS CLEARLY OVER. HE MAY HAVE TO SLOW THE PACE OF REFORM AND SETTLE FOR PERIOD OF CONSOLIDATION, AS OTHER POLITICAL MEN OF ACTION HAVE HAD TO DO BEFORE HIM.

22. CSM (DEC. 18) APPROVES UNGA ACTION TO SHELVE QUESTION OF GKR'S SEAT FOR ANOTHER YEAR, SINCE SITUATION IS TOO UNCERTAIN FOR UN TO GET INTO THE ACT. ANTI-COMMIE FORCES IN CAMBODIA ARE FAR FROM BEING DEFEATED, SIHANOUK IS FAR FROM HAVING CONTROL OF ALL PRO-COMMIE FORCES, AND USSR HAS NEITHER BROKEN OFF RELATIONS WITH LON NOL NOR DONE ANYTHING TO PUSH RECOGNITION OF SIHANOUK AT UN.

23. JEFFREY HART (BOSTON H-A, DEC. 18) SAYS SIGNS SEEM TO INDICATE THAT NVN IS "PLANNING ANOTHER ALL-OUT OFFENSIVE, PERHAPS TIMING IT - WITH A SARDONIC

SENSE OF SYMMETRY - TO COINCIDE WITH THE ANNIVERSARY OF THE 1972 CHRISTMAS BOMBING." CITES US INVOLVEMENT IN ME AND WATERGATE AS REASONS US MAY NOT RESPOND TO POSSIBLE HANOI BLITZ BUT, RECALLING THAT PRES. SHOWED NO HESITATION IN BRANDISHING NAKED FORCE IN RECENT CRUNCH WITH SOVIETS, HART DOES NOT EXCLUDE POSSIBILITY OF US BOMBING BEING RENEWED.

24. CSM'S POND IN TOKYO SEES NEW DEMOCRATIC PARTY (NDP) SPOKESMEN TAKING LEAD IN ANTI-ROKG PROTESTS. BOLDEST IS KIM YOUNG SAM, NDP VICE PRES, WHO ON DEC. 17 REFERRED TO PARK'S ASSUMPTION OF MARTIAL LAW POWERS AS "SECOND COUP D' ETAT TO BUILD UP DICTATORIAL RULE," CALLED FOR RESTORATION OF DEMOCRACY THROUGH DISSOLUTION OF KCIA, ETC. HIS REMARKS MARK FIRST FULL ENDORSEMENT BY NDP OF STUDENT AND CHRISTIAN PROTESTS OF PAST TWO MONTHS, AND KIM PROMISED SPECIFICALLY TO SEEK CLOSER TIES WITH THEM. HIS PROPOSALS MATCH STUDENT DEMANDS
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EVEN IN SUCH PARTICULARS AS REQUESTING AN IMMEDIATE END TO THE "IRRATIONAL" FLOW OF FOREIGN (JAPANESE) CAPITAL INTO SK. HIS STAND GOES BEYOND DEMONSTRATORS' SLOGANS IN ATTACKING PARK DIRECTLY AND IN DEFINING CONSTITUTIONAL REVISIONS TO RESTORE LEGISLATIVE AND CIVIL RIGHTS. POND OBSERVES THAT ROKG'S RECENT CONCILIATORY GESTURES TOWARD PROTESTERS HAVE NOT HALTED MOMENTUM OF OPPOSITION AMONG CHURCHMEN AND SENIOR CIVIC LEADERS.

25. FROM COLOMBO, SURESH (CSM, DEC. 19) SEES ASIAN LEADERS WATCHING WITH INTEREST COMING TALKS BETWEEN INDIA AND SRI LANKA ON PRESENCE OF USN TASK FORCE IN INDIAN OCEAN; FEW APPEAR HOPEFUL THAT TALKS WILL ACCOMPLISH ANYTHING. SINGAPORE'S FM RAJARATNAM EXPRESSED VIEW THAT BIG NAVAL POWERS WITH VITAL STAKE IN FREE PASSAGE IN INDIAN OCEAN WOULD NOT ONLY ACT IN THEIR OWN INTERESTS BUT CAN DO WHAT THEY WANT, STRESSING THAT LITTORAL COUNTRIES HAVE NO COUNTERVAILING STRENGTH OR INFLUENCE. ASIAN LEADERS APPEAR SKEPTICAL ABOUT EACH OTHER'S "NON-ALIGNMENT". INDIA AND SRI LANKA, PRINCIPAL ARCHITECTS OF NONALIGNMENT IN REGION, ARE VIEWED AS LINING UP WITH USSR AND CHINA, RESPECTIVELY. DIFFERENT FOREIGN POLICIES OF INDIA AND SRI LANKA MAY ACTUALLY WORK TO COMPLEMENT EACH OTHER IN MAINTAINING AN ACCEPTABLE BALANCE BETWEEN THE SUPERPOWERS UNTIL OBJECTIVE OF INDIAN OCEAN PEACE ZONE FINALLY CAN BE REALIZED.

ADD JAPAN

26. TANAKA REPORTED RECOVERING FROM COLD AND EAR INFECTION, WILL ATTEND CABINET AND CONFERENCES FRIDAY BUT REENTER HOSPITAL FOR FURTHER CHECKS

TO FORESTALL POSSIBLE PROBLEMS DURING SEA TRIP IN
JANUARY (NYDN, WP).

27. CSM'S POND REHASHES IMPACT OF ENERGY CRISIS AND
JAPAN'S COURTING EFFORTS IN ME.

28. WSJ REPORTS MATSUSHITA ANNOUNCEMENT OF PRICE
INCREASES FOR TV AND APPLIANCES, RUNNING FROM 13 TO
20 PERCENT, EFFECTIVE JAN. 1. THIS FOLLOWS EARLIER
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REPORTS (INADVERTENTLY DROPPED FROM DEC. 19 REVIEW)
OF PRICE INCREASE BY AUTO MANUFACTURERS.

ADD KOREA

29. WITH GALLIC VERVE, AFP REPORTS ANOTHER STUDENT
DEMONSTRATION. THIS TIME FLICS ARRESTED SIX EHWA
UNIVERSITY GIRLS AT AIRPORT DEMONSTRATING AGAINST
USE OF PROSTITUTION TO ATTRACT FOREIGN STUDENTS (WP).
RUSH

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Message Attributes

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Handling Restrictions: n/a
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Subject: DECEMBER 20 EA PRESS SUMMARY (CHITRIB AVAILABLE) INDOCHINA 1. KISSINGER IS IN PARIS TO MEET THO. COOK OF
LAT REVIEWS DETERIORATING MILITARY SITUATION AND LACK OF PROGRESS TOWARD POLITICAL ACCORD IN SVN
TAGS: PFOR, XC, US
To: SAIGON INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
BIEN HOA
CAN THO
DANANG
HONG KONG
NHA TRANG

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Type: TE

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